GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3678
ANSWERED ON:08.08.2016
Subsidy on Kerosene
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of under-recoveries/ subsidy given on kerosene and LPG to upstream/downstream companies and quantum of burden borne by the Government during the last three years and the current year, company-wise including ONGC;
(b) the details of increase in the price of natural gas during the above period and subsidy given by the Government to the domestic consumers;
(c) whether high administrative costs/ inventory losses by downstream companies have taken away the benefits accruing from fall in the prices of crude oil and if so, the details thereof and the reaction of the Government thereto along with the corrective measures taken/being taken by the Government in this regard; and
(d) whether the Government proposes to set up a committee for ensuring proper distribution of kerosene in the country and if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a): The company-wise details of under-recovery/subsidy incurred on the sale of PDS Kerosene and Subsidized Domestic LPG (including DBTL) by the Public Sector Oil Marketing Companies (OMCs) and the burden sharing of under-recoveries on the sale of Diesel (up to 18.10.2014), PDS Kerosene and Subsidized Domestic LPG (including DBTL) during the last three years and the current year (1st Quarter) are given in Annexure.
(b): The details of revision in price of natural gas since 1st April 2013 are given below:
From
To
$/MMBTU
1.4.2013
31.10.2014
4.20*
1.11.2014
31.3.2015
5.05
1.4.2015
30.9.2015
4.66
1.10.2015
31.3.2016
3.82
1.4.2016
30.9.2016
3.06
*on NCV basis, all others are on GCV basis.
The subsidy provided on natural gas to the North East region of India since 2013-14 is as under:
(Rs. Crore)
2013-14
2014-15
2015-16
Q1, 2016-17
625
661
660
136.97*
*provisional
(c): The Public Sector Oil Marketing Companies (OMCs) purchase crude oil based on the price in the international markets. The price of finished products in India is linked to their price in the international markets. The spread (crack margin) between the price of crude oil and petroleum products is linked to the gross profits of refineries. The overall profitability position of oil PSUs depends upon various other general and specific factors including inventory losses.The Profit After Tax (PAT) of Public Sector Oil Marketing Companies (OMCs) during the last three years is given below:
(Rs.crore)
2013-14
2014-15

2015-16
lOCL
7019
5273
10399
BPCL
4061
5085
7432
HPCL
1734
2733
3863
(d): There is no such proposal before the Government.
x-x-x-x-x